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C O N F I D E N T I A L SECTION 01 OF 04 BEIJING 000549

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TAGS: [PREL](#) [PARM](#) [MOPS](#) [CH](#) [TW](#)

SUBJECT: CHINESE SCHOLARS COMMENT ON TAIWAN FOLLOWING KMT  
LANDSLIDE VICTORY IN JANUARY LY ELECTIONS

REF: A. BEIJING 412

[1](#)B. BEIJING 126

[1](#)C. BEIJING 254

[1](#)D. BEIJING 152

[1](#)E. 07 BEIJING 6234

[1](#)F. 07 BEIJING 4517

Classified By: Political Minister Counselr Aubrey  
Carlson. Reasons 1.4 (b) and (d).  
Summary  
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[1](#)1. (C) In the wake of the KMT's January 12 landslide victory in Taiwan's Legislative Yuan (LY) elections, some Mainland observers believe a KMT triumph in the March 22 presidential election is virtually assured. Other contacts, however, argue that "anything can happen" and expect the DPP's Frank Hsieh to play on Taiwan identity issues and fears of a KMT monopoly on power to make the race close. The prospects for passage of the DPP-sponsored referendum on UN membership are low, most Mainland scholars assess, especially if the KMT calls on its supporters to boycott the measure. If the KMT's Ma Ying-jeou wins, cross-Straits relations will quickly improve with measures such as the "three links" implemented in short order, some contacts believe. Others predict a Ma win would create new challenges for Beijing requiring increased flexibility vis-a-vis Taiwan. One scholar claimed that China's Taiwan Affairs Office, in anticipation of a KMT victory, has proposed internally that China acknowledge the Republic of China as a "legitimate political entity" and allow it to join the WHO. The Foreign Ministry, however, reportedly adamantly opposes this proposal. End Summary.

Some Scholars Predict KMT Presidential Victory  
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[1](#)2. (C) Many Mainland scholars are confident that, in the wake of the KMT's January 12 landslide victory in Taiwan's Legislative Yuan (LY) election, a KMT triumph in the March 22 presidential election is virtually assured. Zhou Zhihuai, Deputy Director of the Chinese Academy of Social Sciences (CASS) Institute of Taiwan Studies (ITS) told PolOff on January 14 that many scholars now consider the Taiwan presidential election to be "over." Zhou compared it to Chen Shui-bian playing (poorly) the first three quarters of a basketball game and falling behind his opponent by a large margin, only to then ask DPP candidate Frank Hsieh to come in during the fourth quarter to try to win. The DPP needs to reflect on the reasons for its

failure, Zhou remarked, but there is likely not enough time to fully recover from the LY loss. Zhou believed that a "big pendulum effect" was occurring (i.e., voters want to swing back to the KMT after eight years of DPP rule), rather than a "small pendulum effect" (ref B) under which voters switch support to the DPP after the KMT win in the LY elections. In a separate meeting with PolOff in Beijing on January 25, Wu Xinbo of Fudan University agreed with this assessment, arguing that any attempt by Frank Hsieh to focus on the economy or improving cross-Straits relations is likely to fail because most Taiwan voters see the KMT as stronger on both those issues. Former CASS ITS Director Xu Shiquan predicted to PolOff that Ma will win and offered an early forecast of the election spread, a 53-to-47-percent win for Ma Ying-jeou.

13. (C) According to a prominent U.S. researcher, Chinese military-affiliated observers also expect a Ma Ying-jeou win on March 22. Chen Zhiya, Secretary General of the PLA-affiliated China Foundation for International Strategic Studies (FISS), reportedly told a well-known American think tanker on January 27 that FISS had participated in a costly and elaborate war game the previous weekend predicated on a Frank Hsieh victory and passage of the DPP-sponsored referendum on joining the UN under the name Taiwan. During the wrap-up session of the exercise, Chen purportedly told participants that because of the DPP's crushing defeat in the LY elections, the exercise had been a "waste of time and money." The U.S. researcher contrasted Chen's recent tone with that of August 2007, when Chen and other military contacts were all discussing the "period of high

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danger" and the likelihood of a military response to developments in Taiwan. (Note: Chen delivered a similarly stark message to EAP DAS Thomas Christensen in July 2007. See ref F). In January 2008, however, according to the American researcher, Chen and other PLA contacts were noticeably more relaxed and interested in discussing what a Ma Ying-jeou presidency would mean for cross-Straits relations.

...While Others Say "Anything Can Happen"

14. (C) Several other Embassy contacts, however, were not yet ready to predict a KMT victory in recent conversations with PolOff. For example, during PolOff's January 18 meeting with a group of five scholars at Tsinghua University's Taiwan Studies Center, opinion was split, with two saying Ma would win, one arguing Hsieh would win and two unwilling to make a prediction because they thought the race was "too close to call." Liu Zhentao, a former State Council Taiwan Affairs Office (TAO) official who heads the Tsinghua Center, said that since the LY election he has had several phone calls with DPP members who claim that after a party rally in Kaohsiung on January 13, the pan-Greens are now unified and will be able to motivate the one-third of voters that did not vote in the LY elections to turn out for the March 22 presidential election. Liu expressed doubt about these claims, however, speculating that perhaps the DPP was just trying to motivate members for the campaign ahead.

15. (C) A few contacts have recently argued that the DPP's Frank Hsieh can still recover and win the presidency, despite the DPP setback in the LY elections. Wang Wen, an editor for the People's Daily-affiliated Global Times, told PolOff that Taiwan voters may feel sympathy for the DPP's defeat in the LY elections and not want the KMT to simultaneously

hold both the presidency and LY. Meanwhile, Zhu Feng, the Deputy Director of Peking University's School of International Studies, told PolOffs on January 30 that it is "hard to say" who will be victorious in the election but opined that Frank Hsieh could exploit the Taiwan identity issue to win. Hsieh would "pretend to stabilize" cross-Straits relations for a few years but then move forward with plans to revise the constitution and rename the country, becoming a "second Chen Shui-bian" in the process, Zhu feared. Renmin University Professor Jin Canrong in a January 31 meeting acknowledged an earlier prediction of a Ma victory (ref A), saying "anything can happen." Nevertheless, Jin argued that regardless of the winner, no crisis would erupt and there would be a marked improvement in cross-Straits relations after Chen Shui-bian steps down.

#### Unofficially, Less Worry about the Referendum

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16. (C) Despite recent official warnings from both TAO and MFA to be "vigilant" about the DPP-sponsored UN referendum (refs A, C and D), CASS's Zhou Zhihui, Tsinghua's Liu Zhentao and Fudan's Wu Xinbo all

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thought the chances of the referendum's passage are significantly lower as a result of the DPP LY defeat and the failure of two referenda on the LY ballot. Liu said that the KMT will likely call for a boycott of the referenda on the presidential ballot the week before the March 22 election, which would ensure that they would not meet the participation threshold for passage. Even if the DPP-sponsored referendum passes, Liu said, if Ma Ying-jeou were president, he would not take any further steps as a result; even if Frank Hsieh were to win, the KMT-controlled LY would prevent him from using passage of the referendum as a basis for formal independence. Tsinghua University Legal Scholar Wang Zhenmin, who in September 2007 said passage of the referendum is tantamount to a "declaration of independence" (ref E), also downplayed the significance of the DPP-sponsored referendum. On January 22, he told PolOff that Beijing will now be more concerned about possible next steps, not passage of the referendum alone. Even if the referendum were to pass, if the winner of the presidential election were to discount the referendum and move on, Beijing would probably have "little reaction," Wang said.

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17. (C) Scholars also recently have appeared less concerned about possible surprises or "dirty tricks" engineered by Chen Shui-bian. CASS's Zhou said that Chen was so discredited by the LY failure that any "tricks" would likely backfire. He joked that China should encourage Chen Shui-bian to continue campaigning because the more he is involved in the election, the lower Frank Hsieh's chances are of winning. In his recent meeting with a prominent visiting U.S. researcher, Sun Yafu, the TAO Deputy Director, reportedly initially failed to mention concerns about the oft-cited "election surprises." When the U.S. researcher raised the issue, however, Sun reportedly admitted that China's concerns about possible surprises by Chen are rooted more in deep suspicions of him rather than in specific information about his plans.

#### Possible PRC Responses to Ma Ying-jeou Victory

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18. (C) Mainland scholars appear split over the prospects for cross-Straits relations and the

challenges for Beijing should Ma Ying-jeou win. Fudan's Wu Xinbo, Renmin's Jin Canrong, Tao Wenzhao of CASS and Sun Kegin of the China Institutes of Contemporary International Relations (CICIR) all recently predicted to PolOff that a Ma victory would lead to rapid implementation of the "three links" and short-term moves toward the "peace agreement" that Hu Jintao discussed in the 17th Communist Party Congress political report in October. FISS's Chen Zhiya reportedly told the visiting U.S. researcher that all PRC Government departments have been instructed to propose "gifts" for Ma Ying-jeou in the event that he wins, and that some in the military have purportedly proposed a unilateral pullback of some missiles positioned opposite Taiwan.

19. (C) Several other scholars, however, expressed concern about the significant changes to China's policy toward Taiwan that a Ma presidency might require. Scholars who shared this view included CASS's Zhou Zhihuai, Global Times' Wang Wen, Tsinghua's Liu Zhentao and Peking University's Zhu

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Feng. For example, Zhou remarked to PolOff that it would be "easier" for China if Hsieh wins because there will be no need for Beijing to change its Taiwan policy. If Ma wins, however, the Mainland will have to think of new ways to "accommodate" him to move cross-strait relations forward. Tsinghua's Wang Zhenmin said that in "internal debates" some Chinese officials and experts assert that the DPP's being in power makes dealing with the Taiwan issue easier for China. Zhou claimed the Chinese military would be "disappointed" in a Ma win because they have been actively preparing for Taiwan contingencies and could face budget cuts following a Ma victory. On the other hand, according to Zhou, others in the Chinese policy community likely would argue that, even though the immediate threat of Taiwan independence would be over under a Ma presidency, this would still "not be enough," and they would advocate pushing for formal reunification using a "one country, two systems" model. Zhou listed a number of issues surrounding a Ma victory that would challenge Chinese policymakers, including possible pre-inauguration travel by Ma to the United States, whether China should continue to poach Taiwan's diplomatic allies and what to do about Ma's stated intention of increasing arms purchases from the United States. In addition, Ma would likely criticize the Mainland for its lack of democracy, the June 4, 1989 crackdown and the treatment of the Falun Gong, Zhou said.

10. (C) Tsinghua's Liu Zhentao noted that the biggest theoretical challenges China would face under a Ma Ying-jeou presidency would be tinkering with the definition of "one China" to allow for the existence of the Republic of China while also allowing Taiwan increased international space. Tsinghua's Wang Zhenmin thought China "would have no choice" but to make some accommodation to Ma, including perhaps more flexibility on Taiwan's participation in international organizations. Peking University's Zhu Feng claimed that the Taiwan Affairs Office has already proposed that if Ma wins, Beijing should accept the "Republic

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of China" as a legitimate political entity and cease opposition to Taiwan's participation in the WHO. The Foreign Ministry, however, is adamantly opposed to these suggestions, arguing they would undermine the basis of China's entire diplomatic strategy and have the effect of creating "two Chinas," according to Zhu. Zhu complained that the effect of Taiwan's pursuit of independence has narrowed the choices for the

Mainland, and that Ma would try to make Beijing swallow the "new reality" of a separate Taiwan identity. The rise of a Taiwan identity, together with growing nationalism on the Mainland, made Zhu pessimistic over the long term about prospects for the peaceful settlement of the Taiwan issue.

#### Opposition to Hu Jintao's Taiwan Policy?

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¶11. (C) Virtually all scholars with whom PolOff spoke credited Hu Jintao's policy "shift" on Taiwan, which is described as designed to prevent independence rather than achieve reunification at an early date, as well as his decision to adopt a low profile during the Taiwan elections, as having created the conditions for a more favorable outcome in Taiwan's LY and presidential votes. Zhu Feng revealed, however, that Yang Yi of China's National Defense University and Zhu Shoushang of the PLA Academy of Military Sciences have apparently recently circulated internal criticism of Hu's policy for being "too soft" on Taiwan. Zhu said that Hu had "rebuked" the two senior officers in an internal meeting, but that Yang Yi is already stepping down from his position because he has reached retirement age. Separately, the visiting U.S. researcher told PolOff she heard this same account from her Chinese contacts.

#### Decreased (non-official) Pressure for U.S. Role

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¶12. (C) Following the KMT's LY victory, non-official Embassy contacts have toned down their calls for U.S. action directed at the Taiwan authorities. (Note: As mentioned above, in this regard, the stance of scholars has differed considerably from the official Chinese position, which since the LY elections has been to urge continued U.S. "vigilance" and request new U.S. actions designed to discourage passage of the DPP referendum on UN membership.) CASS's Zhou Zhihuai and Tsinghua's Liu Zhentao both said Chen Shui-bian miscalculated in ignoring U.S. opposition to the DPP-sponsored UN referendum and argued that his mismanagement of relations with Washington contributed to his unpopularity, a significant factor in the DPP's LY failure. The visiting U.S. researcher noted to PolOff that her contacts are no longer discussing next steps the United States should take to oppose the referendum. (Note: The above-mentioned scholars' comments all took place before the formal decision by Taiwan's Central Election Commission on February 1 to hold the referendum on joining the UN in the name of Taiwan at the same time as the March 22 presidential elections.)  
PICCUTA